GOVERNMENT OF INDIA
HEAVY INDUSTRIES AND PUBLIC ENTERPRISES
LOK SABHA

UNSTARRED QUESTION NO:3798
ANSWERED ON:09.08.2016
Growth of Capital Goods Sector
Sathyabama Smt. V.;Senthilnathan Shri PR.

Will the Minister of HEAVY INDUSTRIES AND PUBLIC ENTERPRISES be pleased to state:

(a) the various steps taken by the Government to develop industrial points and increase the growth of capital goods sector in the country;
(b) whether the Committee on Commerce and Industry has pointed out that contraction in growth of capital goods sector is a cause of concern;
(c) if so, the details thereof and the reasons therefor; and
(d) the remedial steps taken by the Government to address this issue urgently to put India on the sustained industrial growth path?

Answer

MINISTER OF STATE IN THE MINISTRY OF HEAVY INDUSTRIES AND PUBLIC ENTERPRISES (SHRI BABUL SUPRIYO)
(a): A scheme on "Enhancement of Competitiveness in the Indian Capital Goods Sector" has been notified on 5.9.2014 that aims to make Indian capital goods industry globally competitive by strengthening technology development, providing common manufacturing infrastructure and extending financial assistance for technology acquisition. The Scheme envisages Government Budgetary Support of Rs.581.22 crore and Industry contribution of Rs.349.74 crore. The Scheme has components consisting of infrastructural interventions like setting up Centers of Excellence (CoE) for Technology Development, Integrated Industrial Infrastructure Facility Centre, Common Engineering Facility Centers and Test and Certification Centre. The Scheme also has a component for financial intervention by way of Technology Acquisition Fund Programme for acquisition of technology. These interventions will result in capacity building in technology in Capital Goods Sector. Detailed information on the Scheme is available at the website of the Department of Heavy Industry (dhi.nic.in).
A National Policy on Capital Goods Sector has been approved by the Cabinet on 25.5.2016. The Policy has been formulated after extensive consultation with the concerned Ministries/ Departments, Industry, User Sectors at both regional and national level. The Policy envisages making India one of the top capital goods producing nations of the world by increasing production, raising exports to be a net exporter of capital goods and by improving technology depth to advanced level. The Policy recommends interventions for increasing export of Indian made capital goods, enhancing technology depth, developing skill in capital goods sector, incentivizing modernization for Small and Medium Enterprises and increasing their competitiveness through cluster approach and mandatory standardization. A soft copy of the Policy is available at the website of the Department of Heavy Industry (dhi.nic.in).

(b) to (d): No recommendation has been received from the referred Committee. However, Department Related Parliamentary Standing Committee on Industry has raised concern over the depressed figures in manufacturing and Index of Industrial Production. Capital Goods Policy apart from the scheme as mentioned in reply to Part (a) of the Question above, envisages different interventions by Government to further the goal of development and growth of domestic Capital Goods Sector.

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